



DEPARTMENT OF
FINANCE

ARNOLD SCHWARZENEGGER, GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

January 4, 2008

Mr. Mark Leary, Executive Director
California Integrated Waste Management Board
1001 I Street, MS-1
P.O. Box 4025
Sacramento, CA 95812-4025

Dear Mr. Leary:

Final Audit Report—Yolo County, Grant Agreement HD13-04-25

Enclosed is the final report on our audit of Yolo County's (Grantee) Household Hazardous Waste Grant agreement HD13-04-25 for the reporting period August 1, 2004 through March 31, 2007. The Department of Finance, Office of State Audits and Evaluations (Finance), performed this audit under an interagency agreement with the California Integrated Waste Management Board (Board). The audit included a review of revenue, expenditures, internal control, and compliance with certain grant agreement provisions.

The Grantee complied with the fiscal requirements of its grant agreement, and its revenue and expenditures were fairly stated. Because there were no audit findings or issues requiring a response, we are issuing the report as final. The enclosed report is for your information and use. We have also sent a copy to the Grantee. In accordance with Finance's policy of increased transparency, the final report will be placed on the Finance website.

If you have any questions regarding this report, please contact Kimberly A. Tarvin, Manager, or John R. Rogers, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

Janet I. Rosman, Assistant Chief
Office of State Audits and Evaluations

Enclosure

cc: Mr. Tom Estes, Deputy Director, Administration and Finance Division, California Integrated Waste Management Board
Ms. Rubia Packard, Assistant Director, Executive Office, California Integrated Waste Management Board
Ms. Shirley Willd-Wagner, Manager, Financial Assistance Division, California Integrated Waste Management Board
Mr. Corky Mau, Branch Manager, Financial Assistance Division, California Integrated Waste Management Board
Mr. George Mendoza, Audit Manager, Administration and Finance Division, California Integrated Waste Management Board
Ms. Linda K. Sinderson, Deputy Director, Planning and Public Works Department, County of Yolo

A GRANT AUDIT

Yolo County
Household Hazardous Waste
Grant Agreement HD13-04-25

For the Period August 1, 2004
through March 31, 2007

Prepared By:
Office of State Audits and Evaluations
Department of Finance

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PREFACE

The Department of Finance, Office of State Audits and Evaluations, performed this audit under an interagency agreement with the California Integrated Waste Management Board (Board).

The Board awarded a \$300,000 grant agreement to Yolo County (Grantee) to participate in the Household Hazardous Waste Program. The grant was funded by the Integrated Waste Management Account and covers the reporting period August 1, 2004 through March 31, 2007.

The objective of this audit was to determine the Grantee's fiscal compliance with the aforementioned grant. The audit also assessed the Grantee's compliance with applicable laws, regulations, and grant agreement requirements, as well as a review of internal control. We did not assess the efficiency or effectiveness of program operations; this responsibility lies with the Board. The responsibility for financial reporting and compliance rests with the Grantee.

This report is intended for the information and use of the Board and Grantee management. However, the report is a matter of public record and its distribution is not limited.

STAFF:

Kim Tarvin, CPA
Manager

John Rogers, CPA
Supervisor

Nasira Quettawala



INDEPENDENT AUDITOR'S REPORT

Mr. Mark Leary, Executive Director
California Integrated Waste Management Board
1001 I Street, MS-1
P.O. Box 4025
Sacramento, CA 95812-4025

We have audited the accompanying Yolo County (Grantee) *Statement of Revenue and Expenditures* (Statement) for grant agreement HD13-04-25 for the period August 1, 2004 through March 31, 2007, executed between the Grantee and the California Integrated Waste Management Board (Board). This Statement was prepared from the Grantee's records and is the responsibility of its management. Our responsibility is to express an opinion on the Statement based on our audit.

We conducted our audit in accordance with *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to provide reasonable assurance as to whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared, as described in Note 4, for the purpose of determining the Grantee's fiscal compliance with the aforementioned grant agreement. The Statement is not intended to be a presentation of the Grantee's total revenue and expenditures.

In our opinion, the Statement referred to above presents fairly, in all material respects, the claimed and audited revenue and expenditures for grant agreement HD13-04-25 for the period August 1, 2004 through March 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Statement is free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of Statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Generally Accepted Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the Statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Statement that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the Statement will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of state and County management, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Original signed by:

Janet I. Rosman, CPA
Assistant Chief, Office of State Audits and Evaluations
(916) 322-2985

November 30, 2007

STATEMENT OF REVENUE AND EXPENDITURES

Yolo County Household Hazardous Waste Grant Agreement HD13-04-25 For the Period August 1, 2004 through March 31, 2007

Revenue:	<u>Claimed</u>	<u>Audited</u>	<u>Questioned</u>
State Grant	\$ 300,000	\$ 300,000	\$ 0
Expenditures:			
Building Miscellaneous concrete	180,561	180,561	0
Rebar	35,477	35,477	0
Electrical	63,000	63,000	0
Doors	3,000	3,000	0
Site Foundation	<u>17,962</u>	<u>17,962</u>	<u>0</u>
Total Expenditures	<u>300,000</u>	<u>300,000</u>	<u>0</u>
 Excess of Revenue over Expenditures	 <u><u>\$ 0</u></u>	 <u><u>\$ 0</u></u>	 <u><u>\$ 0</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO THE STATEMENT OF REVENUE AND EXPENDITURES

Yolo County Household Hazardous Waste Grant Agreement HD13-04-25 For the Period August 1, 2004 through March 31, 2007

NOTE 1 Description of the Reporting Entity

Yolo County (Grantee) is located in the northern part of the State of California, bordered by the counties of Sacramento, Solano, Napa, Colusa, and Sutter. Woodland is the county seat. The county is governed by a board of five district supervisors as well as the governments of its four incorporated cities: Davis, West Sacramento, Winters, and Woodland.

NOTE 2 Program Information

Public Resources Code Section 47200 authorizes the California Integrated Waste Management Board to award competitive grants to local government agencies for programs that reduce the amount of Household Hazardous Waste (HHW) disposed of at solid waste landfills.

The grant funds must be used to establish or expand HHW programs that provide permanent collection opportunities and/or effective public education/publicity campaigns.

NOTE 3 Description of Household Hazardous Waste Grant

The Household Hazardous Waste (HHW) grant provided \$300,000 to the Grantee to partially fund the construction of a countywide permanent HHW collection facility.

NOTE 4 Summary of Significant Accounting Policies

A. Basis of Presentation

The Statement presented in this report was prepared from the Grantee's accounts and financial transactions. The Statement summarizes revenue and expenditures recorded by the Grantee during the reporting period August 1, 2004 through March 31, 2007.

The Statement summarizes the Grantee's transactions pertaining to grant agreement HD13-04-25 only and is not intended to represent all of the Grantee's financial activities.

B. Basis of Accounting

The Grantee's accounts are maintained on the modified accrual basis and in accordance with the principles of fund accounting. Under the modified accrual basis, revenue is recognized as it becomes measurable and available, and expenditures are recorded at the time the liabilities are incurred.